



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

February 18, 2015

D2015-01

TO: All DAA CEOs

SUBJECT: Energy Services Performance Contract (ESCO) Project Opportunity

We are pleased to provide you with information regarding the State Department of General Services' ESCO Project opportunity.

Those of you who attended the 2014 Manager's Conference in November may have seen the Department of General Services' presentation regarding their ESCO project program and how it may be a wise opportunity for many DAAs.

Briefly, the project steps are as follows:

- DGS will identify DAAs interested in participating in energy saving projects.
- DGS will then bundle these DAAs into groups.
- They will obtain fair facility information and prepare a Request for Proposals (RFP) for the bundled fairs. The RFP will go to Energy Services companies that DGS has already pre-qualified through a Request for Qualification process.
- The company to whom a contract is awarded will then do a no-cost preliminary assessment of the fairs in the bundle. They will then do a no-cost audit that would form the basis for the scope or work for the project, cost and guaranteed savings.
- The DAA bundle group will then apply for financing. The loan is structured such that annual energy savings offset loan repayments until the loan is repaid. Further savings are the DAAs' to keep.
- If the savings guaranteed by the contractor is not reached, then the contractor would be responsible for paying the shortfall. Therefore, there is no cost risk for the fair.

If you are interested in participating in this project or obtaining more information, please contact Mark Barrett, Project Manager at DGS Project Management and Development Branch, phone (916) 375-4317, email [mark.barrett@dgs.ca.gov](mailto:mark.barrett@dgs.ca.gov).

Sincerely,

John Quiroz

